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REC'D TN
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July 6 1999 6 PM 3 53
EXECUTIVE SECRETARY

Guy M. Hicks
General Counsel

VIA HAND DELIVERY

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Petition for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc. pursuant to the Telecommunications Act of 1996*
Docket No. 99-00430

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of BellSouth Telecommunications, Inc.'s Response to ITC^DeltaCom Communications, Inc.'s Petition for Arbitration. Copies of the enclosed are being provided to counsel of record for all parties.

Very truly yours,

Guy M. Hicks

GMH:ch
Enclosure

BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee

REC'D TN
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JUL 6 PM 3 53
OFFICE OF THE
EXECUTIVE SECRETARY

In Re: *Petition for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc. pursuant to the Telecommunications Act of 1996*

Docket No. 99-00430

**BELLSOUTH TELECOMMUNICATIONS, INC.'S RESPONSE
TO ITC^DELTACOM COMMUNICATIONS, INC.'S PETITION FOR ARBITRATION**

Pursuant to 47 U.S.C. § 252(b)(3) of the Telecommunications Act of 1996 ("1996 Act"), BellSouth Telecommunications, Inc. ("BellSouth") responds to ITC^DeltaCom Communications, Inc.'s ("ITC") Petition for Arbitration ("Petition"), and says:

I. INTRODUCTION

Sections 251 and 252 of the 1996 Act encourage negotiations between parties to reach voluntary local interconnection agreements. Section 251(c)(1) of the 1996 Act requires incumbent local exchange companies to negotiate the particular terms and conditions of agreements to fulfill the duties described in Sections 251(b) and 251(c)(2-6).

Since passage of the 1996 Act on February 8, 1996, BellSouth has successfully conducted negotiations with numerous competitive local exchange carriers ("CLECs") in Tennessee. To date, the Tennessee Regulatory Authority (the "Authority") has approved numerous agreements between BellSouth and CLECs. The nature and extent of these agreements varies, depending upon the individual needs of the companies, but the conclusion is inescapable. BellSouth has a record of embracing competition and reaching agreement to interconnect on fair and reasonable terms.

During the negotiation process, the 1996 Act allows a party to petition a state commission for arbitration of unresolved issues.¹ The petition must identify the issues resulting from the negotiations that are resolved, as well as those that are unresolved.² The petitioning party must submit along with its petition “all relevant documentation concerning: (1) the unresolved issues; (2) the position of each of the parties with respect to those issues; and (3) any other issue discussed and resolved by the parties.”³ A non-petitioning party to a negotiation under this section may respond to the other party’s petition and provide such additional information as it wishes within 25 days after the state commission receives the petition.⁴ The 1996 Act limits a state commission’s consideration of any petition (and any response thereto) to the unresolved issues set forth in the petition and in the response.⁵

BellSouth and ITC entered into a two-year interconnection agreement (“Agreement”) on July 1, 1997. On July 31, 1998, both of the parties requested re-negotiation under Section 251 and 252 of the 1996 Act. (Copies of the July 31, 1998 correspondence are attached hereto as composite Exhibit “A.”) The parties subsequently agreed, however, to formally begin negotiations on January 4, 1999. (A copy of the December 8, 1998 and January 4, 1999 correspondence are hereto attached as composite Exhibit “B.”) Although BellSouth and ITC negotiated in good faith, the parties were unable to reach agreement on some issues. As a result, ITC filed this Petition for Arbitration. Pursuant to the 1996 Act, when parties cannot successfully negotiate an interconnection agreement, either party may petition a state commission for

¹ 47 U.S.C. § 252(b)(2).

² *See generally*, 47 U.S.C. §§ 252 (b)(2)(A) and 252 (b)(4).

³ 47 U.S.C. § 252(b)(2).

⁴ 47 U.S.C. § 252(b)(3).

⁵ 47 U.S.C. § 252(b)(4).

arbitration of the unresolved issues between the 135th and 160th day from the date a request for negotiation was received. It is clear from the 1996 Act that ITC's Petition must identify the issues resulting from the negotiations that are resolved, as well as those that are unresolved.⁶

Through the arbitration process, the state commission must resolve the unresolved issues ensuring that the requirements of Sections 251 and 252 of the 1996 Act are met. The obligations contained in those sections of the 1996 Act are the obligations that form the basis for negotiation, and if negotiations are unsuccessful, then they form the basis for arbitration. Issues or topics not specifically related to these areas are outside the scope of an arbitration proceeding. Once the state commission provides guidance on the unresolved issues, the parties must incorporate those resolutions into a final agreement to be submitted to the state commission for approval.⁷

BellSouth will respond to each subheading identified in the Petition in a manner that will attempt to clearly reflect what unresolved issues remain to be arbitrated by the TRA.

II. SPECIFIC RESPONSE

In accordance with Section 252(b)(3) of the 1996 Act, BellSouth responds to each specifically numbered allegation in ITC's Petition and says:

1. To the extent that the allegations in Paragraph 1 of the Petition require a response, BellSouth admits those allegations.

2. BellSouth agrees that the Authority should conduct an evidentiary hearing on the unresolved issues. BellSouth denies the remaining allegations in Paragraph 2 of the Petition.

3. BellSouth is without knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 3 of the Petition, and, therefore, denies the same.

⁶ See generally, 47 U.S.C. §§ 252(b)(2)(A) and 252(b)(4).

⁷ 47 U.S.C. § 252(a).

4. BellSouth denies that it is a monopoly provider of telephone exchange services. BellSouth admits the remaining allegations in Paragraph 4 of the Petition.

5. ITC and BellSouth formally requested commencement of negotiations under Sections 251 and 252 of the 1996 Act on July 31, 1998. Subsequently, the parties agreed to deem January 4, 1999 as the date on which the parties formally requested commencement of negotiations under Sections 251 and 252 of the 1996 Act. BellSouth admits the remaining allegations in Paragraph 5 of the Petition and further states that the parties are continuing to negotiate the issues in this case with the intent and expectation of resolving many of them through negotiation.

6. To the extent a response is required, BellSouth agrees that ITC attached a proposed interconnection agreement as Exhibit "A" to the Petition. BellSouth denies that the Authority should approve ITC's proposed interconnection agreement. Specifically, BellSouth objects to ITC's "proposed" interconnection agreement for the reason that it is incomplete, confusing and, in many instances, it is inaccurate both with respect to language in dispute and language previously agreed upon by the parties. Thus, ITC has not complied with Section 252 (b)(2)(A)(iii) with respect to informing the Authority of the resolved issues. BellSouth denies the remaining allegations in Paragraph 6 of the Petition.

7. BellSouth agrees that ITC attached the referenced summary as Exhibit "B" to the Petition. BellSouth denies that the summary accurately and completely sets forth BellSouth's position on any of the unresolved issues. BellSouth denies the remaining allegations in Paragraph 7 of the Petition.

JURISDICTION

8. BellSouth admits that the appropriate arbitration standards are set forth in the 1996 Act. Those provisions of the 1996 Act speak for themselves. The remaining allegations in Paragraph 8 of the Petition are denied.

9. BellSouth admits that it agreed with ITC that the statutory timeframe for filing a petition for arbitration opened on May 19, 1999 and closed on June 14, 1999. As referenced above, the original request for re-negotiation of the interconnection agreement was timely made on July 31, 1998. BellSouth denies the remaining allegations in Paragraph 9 of the Petition, as they are conclusions of law.

DESIGNATED CONTACTS

10. Paragraph 10 of the Petition requires no response.

ISSUES FOR ARBITRATION

11. BellSouth admits that ITC sets forth its position on the unresolved issues in Paragraphs 11 through 84, inclusive, of the Petition. BellSouth denies that ITC's listing and characterization of these issues is accurate. BellSouth further denies that Paragraphs 11 through 84, inclusive, of the Petition set forth BellSouth's position in a complete or accurate manner. In accordance with Sections 252(b)(3) of the 1996 Act, BellSouth sets forth below its position on each of the unresolved issues identified by ITC in Paragraphs 11 through 84, inclusive, of the Petition. The remaining allegations in Paragraph 11 of the Petition are denied. BellSouth responds to each of the issues in Paragraphs 12 through 84 of the Petition, by issue number, below:

BELLSOUTH'S POSITION ON UNRESOLVED ISSUES

Issue 1(a)

12. **Performance Measurements and Performance Guarantees (Att. 10)**

Should BellSouth be required to comply with the performance measures and guarantees for pre-ordering/ordering, resale, and unbundled network elements (“UNEs”), provisioning, maintenance, interim number portability and local number portability, collocation, coordinated conversions and the bona fide request processes as set forth fully in Attachment 10 of Exhibit A of this Petition?

Despite having made numerous requests early on during the negotiations, BellSouth did not receive a copy of Attachment 10 from ITC until the day after the negotiations ended. BellSouth denies that the so called “performance measures and performance guarantees” in Attachment 10 to the Petition are appropriate. BellSouth has offered in its negotiations with ITC comprehensive performance measures that will ensure that BellSouth provides ITC with nondiscriminatory access consistent with the requirements of the 1996 Act and FCC orders and rules. BellSouth is also willing to provide to ITC those performance measurements which have been or may be ordered by the Authority for BellSouth to provide to other CLECs in this state.

Issue 1(b)

13. **Performance Guarantee for Due Dates (Att. 6-4.8.15)**

Should BellSouth be required to waive any nonrecurring charges when it misses a due date?

• ITC’s proposal amounts to nothing more than a penalty. BellSouth does not agree that penalties should be the subject of arbitration. The only remedies that should be included in an interconnection agreement between BellSouth and ITC are those mutually agreed upon by the parties. What ITC is requesting amounts to a system of financial penalties that would apply every time BellSouth does not meet a due date regardless of the reason, even though ITC may be receiving nondiscriminatory access in full compliance with the 1996 Act. ITC’s proposal for penalties or damages in the form of a waiver of certain charges is not required by the 1996 Act and represents a supplemental enforcement scheme that is inappropriate and unnecessary. ITC has adequate recourse before the Authority or in a court of law in the event BellSouth breaches its interconnection agreement.

Issue 2

14. **Parity – General (GTC – 3.2; Att. 2-2.3.1.4-.5; Att. 6-1.1)**

Should BellSouth be required to provide services including Operational Support Systems (“OSS”), UNEs, White Page Listings and Access to Numbering Resources to ITC^DeltaCom at parity with that which it provides to itself?

BellSouth denies that it does not offer services to ITC at parity. BellSouth has offered to include language in the interconnection agreement consistent with the 1996 Act and the FCC’s rules regarding parity of services (47 C.F.R. §51.311 (UNEs) and 47 C.F.R. §51.603 (Resale). The Act does not require BellSouth to provide ITC with service at levels greater than BellSouth provides to its own end-users.

Issue 2(a)(i)

15. **Parity – Access to Customer Service Records (“CSRs”) and Regional Street Address Guide (“RSAG”) (Att. 6-3.1, 4.8.3.3, 4.8.3.4)**

**Should BellSouth be required to provide the specifications for “parsing” the CSRs?
Should BellSouth be required to provide a download of the RSAG?**

BellSouth implemented the industry standard Telecommunications Access Gateway (“TAG”) pre-ordering electronic interface in August, 1998. The customer service records (“CSRs”) data is available to CLECs, such as ITC, through TAG and it can be parsed or broken down into smaller segments by the CLEC to whatever level of detail is desired, just as BellSouth parses CSRs for its own retail operations. BellSouth currently makes the Regional Street Address Guide (“RSAG”) available on a real time basis electronically through the Local Exchange Navigation System (“LENS”) and the TAG pre-ordering interfaces. This access includes updates to RSAG. Thus, BellSouth is providing nondiscriminatory access to its OSS in a manner that allows ITC and other CLECs to parse CSRs and access the RSAG.

Issue 2(a)(ii)

16. **Parity – Advance Notice of Changes in Business Rules (GTC – 20.3; Att. 6-1.1)**

Should BellSouth be required to provide changes to its business rules and guidelines regarding resale and UNEs at least 45 days in advance of such changes being implemented and in a manner that is easily accessible?

The CLEC Interconnection Web Page provides fair and reasonable means of notice to all CLECs, including ITC. BellSouth currently provides thirty (30) days advance notice of changes being made to BellSouth’s business rules and guidelines.

Issue 2(a)(iii)

17. **Parity – Restriction of Customer Choice (Att. 1-3.7)**

Should a customer be permitted to retain both BellSouth and ITC^DeltaCom services or can one carrier restrict the customer’s choice?

ITC never provided its proposed language to BellSouth during the negotiations. Upon review of the language found in Section 3.7, Attachment 1, however, BellSouth will accept such proposed language.

Issue 2(a)(iv)

18. **Parity – Integrated Digital Loop Carrier (“IDLC”) Technology (Att. 2-3.1)**

Should BellSouth be required to provide an unbundled loop using IDLC technology which will allow ITC^DeltaCom to provide consumers the same quality of service as that offered by BellSouth to its customers?

Where feasible, BellSouth will make IDLC available to ITC. Even where it is not technically feasible for BellSouth to provide IDLC, BellSouth will provide ITC with loops that meet ITC's specific transmission requirements at the appropriate rates. For example, if ITC orders a voice grade loop, BellSouth will provide such loops to ITC at the appropriate rate.

Issue 2(a)(v)

19. **Parity – Quality of Interconnection (Att. 3-5.1)**

Should BellSouth be required to provide interconnection to ITC^DeltaCom that is equal in quality to that provided by BellSouth to any other telecommunications company or to BellSouth itself?

ITC never provided its proposed language to BellSouth during the negotiations. Although BellSouth is already obligated by the 1996 Act and the FCC's rules to provide ITC and any other CLEC nondiscriminatory access to telecommunications services, UNEs, and interconnection, BellSouth will agree to include language in the interconnection agreement that is consistent with applicable rules of the 1996 Act and with the FCC. The express language of the 1996 Act and the FCC's rules should be sufficient. However, BellSouth disagrees with ITC's interpretation of what "equal in quality" should mean. Moreover, the proposed interconnection agreement already addresses parity in general. See BellSouth's response to Issue 2 herein.

Issue 2(a)(vi)

20. **Parity – Referral Intercept (Att. 6-4.8.9)**

Should the parties be required to continue to provide referral intercept at no cost to each other?

After reviewing ITC's proposed language on this issue, BellSouth will agree to accept the language set forth in Attachment 6, Section 4.8.9 of the proposed interconnection agreement.

Issue 2(a)(vii)

21. **Parity – Service Intervals (Att. 6 – 4.9.5)**

Should ITC^DeltaCom receive the same service intervals as that performed by BellSouth on winbacks?

BellSouth is required to provide CLECs such as ITC with nondiscriminatory access consistent with the requirements set forth in the 1996 Act and the FCC's rules. Although BellSouth does not believe that it is technically feasible to compare wholesale UNEs to retail services, BellSouth does acknowledge that it is required to provide service intervals to CLECs equivalent to those it provides to its own customers transferring back to BellSouth from a CLEC.

BellSouth has offered various service intervals to ITC and has included the BellSouth Interval Guide as a part of BellSouth's CLEC Interconnection Web page.

Issue 2(b)(i)

22. **UNEs – Priority Guidelines (Att. 2 – 2.2.6)**

Should BellSouth be required to follow the same priority guidelines that it has for BellSouth customers for repair and maintenance and UNE provisioning when it provides service to ITC^DeltaCom customers?

The UNE provisioning intervals are scheduled pursuant to the *BellSouth Product and Services Interval Guide for Interconnection Services*. The general repair guidelines and the emergency restoration procedures are set forth in the model *Operational Understanding Between BellSouth Maintenance Centers and CLEC Maintenance Centers*. The general restoration guidelines for UNE facilities approximate those that BellSouth uses for its own retail customers. However, with regard to the repair and maintenance guidelines, BellSouth should not be held to the same priority guidelines, since BellSouth is not able to identify the CLEC's end-user. Without the CLEC end-user information, BellSouth does not have the capability to administer its repair and maintenance guidelines.

Issue 2(b)(ii)

23. **UNEs – Elements Offered (Att. 2 – 1.3, 2.3.1.3, 2.3.1.7)**

Should BellSouth be required to continue providing those UNEs and combinations that it is currently providing to ITC^DeltaCom under the interconnection agreement previously approved by the Authority?

BellSouth has and will continue to comply with its obligations under the 1996 Act and the FCC's rules. BellSouth will continue to provide any individual UNE currently offered until the FCC completes its current proceeding and resolves Rule 51.319 in light of the U.S. Supreme Court's decision in the *Iowa Utilities Board* case. The 1996 Act does not require BellSouth to offer combinations of UNEs to CLECs that are not currently combined in BellSouth's network. However, BellSouth is willing to negotiate a voluntary commercial agreement with ITC to perform certain services or functions that are not subject to the requirements of the 1996 Act.

Issue 2(b)(iii)

24. **UNEs – Extended Loops and Loop/Port Combination
(Att. 2 – 1.3, 2.3.1.3, 2.3.1.7)**

Should BellSouth be required to provide to ITC^DeltaCom extended loops and the loop/port combination?

BellSouth will provide combinations of those types that are defined by the FCC in its Rule 51.319 proceeding, to the extent those elements are currently combined in BellSouth's network. ITC's request for BellSouth to provide ITC with "extended loops" (local loop combined with dedicated transport) and with the "loop/port" combination would unquestionably require

BellSouth to combine certain UNEs for ITC, a service or function that BellSouth is not required to do under the 1996 Act. Also, see BellSouth's Response to Issue 2(b)(ii) at Paragraph 23 above.

25. **Issue 2(b)(iv)**
Testing of UNEs
(Att. 6–4.8.10, 4.8.28, 4.8.28, Att. 2–6.2.2.1)

**Should BellSouth be required to provide UNE testing results to ITC^DeltaCom?
Should the parties be required to perform cooperative testing within two hours of a request from the other party?**

BellSouth is not required under the Act to provide its UNE testing results to CLECs nor does BellSouth believe that it is necessary for ITC to receive UNE testing results in order to do business with BellSouth. BellSouth provides CLECs with the technical service descriptions for all the UNEs that BellSouth provides to CLECs. BellSouth is required to deliver service to CLECs that conforms to these technical service descriptions for the type of service or UNE ordered. Presently, BellSouth is not able to electronically transmit this type of data to CLECs and hard copies may not always exist.

With respect to cooperative testing, BellSouth has previously agreed to use its best efforts to perform cooperative testing with ITC as soon as possible after receiving ITC's request. BellSouth, however, cannot agree to a requirement that all coordinated testing should be accomplished within 2 hours of receipt from ITC.

26. **Issue 2(c)(i)**
NXX – Functionality Testing (Att. 2 – 1.3)

Should BellSouth be required to provide NXX testing functionality to ITC^DeltaCom?

ITC never provided its proposed language to BellSouth during the negotiations. BellSouth expressly denies ITC's allegation that BellSouth has "improperly loaded NXX codes on many occasions." BellSouth is not required to provide NXX testing functionality to ITC. Nonetheless, BellSouth has offered to provide an NXX testing option to ITC that is equivalent to the means by which BellSouth carries out NXX testing for itself. BellSouth will continue to negotiate mutually acceptable language with ITC.

27. **Issue 2(c)(ii)**
Parity – Installation Intervals (Att. 2 – 2.2.2.1)

Should the required installation interval for cutovers be 15 minutes?

BellSouth will agree to a loop cutover installation interval time of fifteen (15) minutes for a single circuit conversion. With respect to multiple loop cutovers or circuit conversions, BellSouth has offered to use fifteen (15) minutes as the maximum interval time for one loop with multiple loop cutovers being accomplished in increments of time per loop or circuit conversion of less than fifteen (15) minutes. The loop cutover process is a multiple step process that requires a great deal of coordination between BellSouth and the CLEC. Thus, it is appropriate for different installation intervals to be established based upon the number of loops to be cutover to the CLEC.

28. **Issue 2(c)(iii)**
Order Coordination
(Att. 2-1.3; 2.2.3; 2.2.5; 6-4.8.27)

Should BellSouth be required to continue offering order coordination with SL1? Should SL1 orders without order coordination be specified by BellSouth with either an a.m. or p.m. designation?

BellSouth is willing to continue offering order coordination service with SL1 orders. BellSouth will agree to accept a customer's request for an A.M. or P.M. designation when access to the customer's premises is required. In those instances where access to the customer's premises is not required, or if access is required but the customer is indifferent as to the time of day, BellSouth should not be required to designate A.M. or P.M. installation. This process is comparable to the scheduling BellSouth offers to its retail customers.

29. **Issue 2(c)(iv)**
Labor Costs (Att. 2-2.2.2.2)

Should the party responsible for delaying a cutover also be responsible for the other party's reasonable labor costs?

ITC's proposal is nothing more than a penalty. (See discussion in 1(b) above). In the event ITC experiences problems as a result of loop cutover delays, ITC has adequate remedies available under the law.

30. **Issue 2(c)(v)**
Personnel (Att. 2 – 2.2.5)

Should BellSouth be required to designate personnel for cutovers?

BellSouth should not be required to specifically dedicate its personnel to serve only ITC or any other individual CLEC. BellSouth incurs significant costs in connection with providing personnel to handle all CLEC orders for services and UNEs. BellSouth reviews anticipated and historical staffing requirements and assigns work activity in the most efficient manner possible in order to complete all necessary work functions for all CLECs.

Issue 2(c)(vi)

31. **Responsibility for Repair Charges (Att. 2 – 2.2.7 - .8)**

Should ITC^DeltaCom be responsible for the repair charges for troubles caused or originated outside of its network? Should BellSouth reimburse ITC^DeltaCom for any additional costs ITC^DeltaCom incurs in isolating the trouble to BellSouth's network?

BellSouth has agreed to be responsible for costs which are incurred due to BellSouth's network. However, BellSouth should not be responsible for costs due to ITC's network or due to a third party's network. Both BellSouth and ITC should be responsible for their own costs incurred in determining the cause of trouble.

Issue 2(c)(vii)

32. **Carrier Loop (Att. 2 – 2.3.1.2)**

Should BellSouth provide to ITC^DeltaCom access to BellSouth's network to determine how the carrier loop should be engineered?

Neither ITC nor any other CLEC should have unfettered "access" to BellSouth's network for the purpose of determining how the "carrier loop should be engineered." BellSouth is willing to provide ITC and other CLECs with all necessary information in the form of engineering technical standards and guidelines in connection with BellSouth's network. Further, when ITC purchases an SL2 loop or above, BellSouth provides ITC with a Design Layout Record ("DLR") containing all the necessary engineering and technical parameters for such loops.

Issue 2(c)(viii)

33. **Maintenance and Repair of HDSL and ADSL**
(Att. 2 – 2.3.1.2.1 -.3)

Should BellSouth be responsible for maintenance and repair of HDSL and ADSL facilities provided to ITC^DeltaCom?

BellSouth does not provide HDSL and ADSL "facilities" as UNEs to ITC or to any other CLEC. BellSouth, however, does provide a federally tariffed wholesale ADSL service to certain wholesale customers. BellSouth's ADSL wholesale service is a separate and distinct offering from an ADSL or HDSL compatible loop, which is offered as a unique network capability on a UNE basis to CLECs. With respect to maintenance and repair, if BellSouth is providing its ADSL wholesale tariffed service then maintenance and repair are offered as part of such wholesale service. On the other hand, if BellSouth is providing a loop that has been modified from its original technical standards at the request of ITC, such as HDSL or ADSL compatibility, then BellSouth cannot guarantee that the modified loop will meet the technical standards of a non-modified loop.

Issue 2(c)(ix)

34. **Special Construction Costs (Att. 2 – 1.1; Att. 2 – 2.3.1.2)**

If a customer orders a loop which requires special construction charges be paid for by ITC^DeltaCom, and BellSouth reuses the same facilities to provide service to the customer for itself or on behalf of another CLEC, should BellSouth be required to refund to ITC^DeltaCom the amount ITC^DeltaCom paid to BellSouth for Special Construction for that customer?

If ITC requests facilities or services which require the imposition of special construction costs, then ITC should pay such costs. The costs were not incurred because of BellSouth or another CLEC. Similarly, if special construction costs were incurred at the request of another CLEC or by BellSouth to provide services to its own end-users, then ITC will not be subsequently charged for such costs. Requesting facilities or services that require special construction costs is simply part of the costs of doing business. As a practical matter, it would be virtually impossible to administer a refund program such as ITC apparently envisions.

Issue 2(c)(x)

35. **Reimburse Costs to Accommodate Modifications (Att. 2 – 2.2.2.8)**

Should BellSouth reimburse any costs incurred by ITC^DeltaCom to accommodate modifications made by BellSouth to an order after sending a firm order confirmation (“FOC”)?

BellSouth should not be required to reimburse ITC for such costs. BellSouth does not make modifications to a CLEC’s orders. ITC places its own orders and ITC is the only party that can modify its order.

Issue 2(c)(xi)

36. **Deployment of Modern Digital Loop Carrier (“DLC”) Equipment (Att. 2 – 2.3.1.8)**

Should BellSouth be required to refrain from impeding ITC^DeltaCom’s deployment of modern DLC equipment?

BellSouth denies that it has in any way impeded ITC’s deployment of DLC equipment. BellSouth, *with some modification*, is willing to accept ITC’s proposed interconnection agreement language on this issue. BellSouth will agree that ITC may install its own DLC equipment within ITC’s collocation space or within ITC’s own network. Further, ITC must provide an appropriate technical standard compliant interface to allow interconnection with BellSouth.

Issue 2(c)(xii)

37. **Operating, Administration, Maintenance & Provisioning Procedures (Att. 2 – 7.0)**

What are OAMP (Operating, Administration, Maintenance and Provisioning) procedures for Local Switching?

BellSouth is familiar with the technical document referred to in the current interconnection agreement with ITC (See Attachment 2, Section 7.2.1.1) which is Telcordia (formerly BellCore) document FR-NWT-000064. Additionally, BellSouth's OAMP procedures are set forth in Attachment 2, Section 7.2.1.1. of the current interconnection agreement. BellSouth does not, however, understand ITC's issue with respect to this technical standard and needs clarification from ITC before BellSouth can respond further.

Issue 2(c)(xiii)

38. **211 and 611 Calls (Att. 2-7.2.1.15)**

How are 211 and 611 calls routed?

BellSouth does not understand ITC's concern with how 211 and 611 calls are routed and needs clarification from ITC on this issue. However, based upon a review of ITC's proposed interconnection agreement language in Attachment 2, Section 7.2.1.15, it is clear that ITC should have placed this resale issue in Attachment 1 rather than in Attachment 2. BellSouth provides (where tariffed) for the resale of N11 services pursuant to state commission Orders in Alabama, Florida, Georgia, South Carolina, and Tennessee. N11 services are not required to be resold in other states within the BellSouth region pursuant to appropriate Authority Orders. The routing of N11 services is entirely up to ITC if it is purchasing UNEs from BellSouth rather than reselling BellSouth's services. Thus, this should not be an issue.

Issue 2(c)(xiv)

39. **UNE Conversions (Att. 6 - 4.9.1 - .4)**

Should BellSouth be required to coordinate with ITC^DeltaCom 48 hours prior to the due date of a UNE conversion? If BellSouth delays the scheduled cutover date, should BellSouth be required to waive the applicable non-recurring charges? Should BellSouth be required to perform dial tone tests at least 8 hours prior to the scheduled cutover date?

There are three separate issues stated by ITC here. ITC has only provided its position on the first two issues. With respect to the first issue, BellSouth does not agree that coordination 48 hours prior to the due date is necessary on every type of UNE conversion. However, with respect to SL2 type loops only, BellSouth will agree to use its best efforts to schedule a conversion date and time 24 to 48 hours prior to the conversion. With respect to the second issue, BellSouth does not agree to waive the applicable nonrecurring charges for the applicable UNE since any number of variables and uncertainties can occur when coordinating a cutover date with CLECs. Finally, BellSouth does not agree to the third issue because dial tone is strictly a function of the CLEC when purchasing UNE loops and is not a responsibility of BellSouth.

40. **Issue 2(c)(xv)**
Call Treatment (Att. 2 – 7.2.1.4)

Should ITC^DeltaCom be permitted to choose customized call treatment via ITC^DeltaCom's or BellSouth's Advanced Intelligent Network ("AIN") platforms?

Although BellSouth does not fully understand the issue here, BellSouth will agree to provide both branded and unbranded recorded announcements and/or call progress tones to ITC using BellSouth's facilities. Further, ITC may use its own facilities to provide its own Advanced Intelligent Network ("AIN") functions. Absent clarification from ITC, BellSouth does not understand what needs to be arbitrated in this issue.

41. **Issue 2(c)(xvi)**
Rate for Performance Data (Att. 2 – 7.2.1.13)

What should be the rate for Performance Data that BellSouth provides to ITC^DeltaCom regarding customer line, traffic characteristics, and other information?

BellSouth has advised ITC that it is not appropriate for a general rate for the provision of additional performance data requested by ITC since the requested information could vary significantly in cost from request to request. A rate cannot be predetermined and included in the rate sheet since the specifics of the request must be known in order to calculate an appropriate rate. Thus, BellSouth has proposed that rates for such Performance Data as may be requested by ITC should be handled on an individual request basis through the Bona Fide Request/New Business Report ("BFR/NBR") process.

42. **Issue 2(d)**
White Page Listings (GTC – 4.1)

Should BellSouth be required to provide ITC^DeltaCom's White Page Listings to independent third party publishers in the same way that BellSouth provides White Page Listings for its customers to independent third party publishers?

BellSouth is in compliance with the 1996 Act (Sections 251(b)(3) and 271(c)(2)(B)(viii)), which only requires BellSouth to provide White Pages directory listings for the customers of other carriers. This issue is not appropriate for arbitration.

43. **Issue 2(e)**
Numbering (Att. 5 – 2.5.1)

Should the parties be required to exchange SS7 TCAP messages with each other?

BellSouth does not understand ITC's concern with this issue. ITC's proposed interconnection agreement language on this issue regarding the exchange of signaling system

seven (“SS7”) Transmission Capability Application Part (“TCAP”) messages is not appropriate for interim number portability (“INP”) since BellSouth uses primarily the remote call forwarding (“RCF”) feature for INP. BellSouth does agree that the parties, when appropriate, should exchange SS7 TCAP messages with each other. For example, in connection with BellSouth’s permanent local number portability (“LNP”) tariffed query service, it is necessary to exchange SS7 TCAP messages.

Issue 2(f)

44. **Local Number Portability (“LNP”) Customer Procedures**
(Att. 5 – 2.6 – 2.6.3)

Should BellSouth be required to establish LNP cutover procedures under which BellSouth must confirm with ITC^DeltaCom that every port subject to a disconnect order is worked at one time?

ITC has included new timeframes in the proposed interconnection agreement language that BellSouth must still review before it can fully respond. BellSouth, however, does agree that coordination between itself and ITC is extremely important for LNP order cutovers. Additionally, BellSouth already has LNP cutover procedures in place.

Issue 2(g)

45. Order Flow-Through (Att. 6 – 4.7.1, 4.7.2)

How should “order flow-through” be defined?

BellSouth does not agree with ITC's proposed definition of "flow-through" nor does BellSouth believe that it is necessary for the interconnection agreement to contain a definition of "flow-through."

Issue 3

46. **Reciprocal Compensation**
(Att. 3 – 6.0; GTC – definition of “local” and “reciprocal compensation”)

What should be the rate for reciprocal compensation? Should BellSouth be required to pay reciprocal compensation to ITC^DeltaCom for all calls that are properly routed over local trunks, including calls to Information Service Providers (ISPs)?

With respect to the first issue, the appropriate rate for reciprocal compensation is the sum of the individual network elements that are actually used to handle the call such as transport or switching. The rates for each of these network elements are currently being addressed by the Authority in its generic UNE cost proceeding, Docket No. 97-01262. Additionally, it is BellSouth's position that if a call is not handled by a switch on a tandem basis, it is not appropriate to pay reciprocal compensation for the tandem switching function.

With respect to the second issue, calls to ISPs, even if routed over local interconnection trunks, are not subject to the 1996 Act's requirement of reciprocal compensation. The FCC's recent Declaratory Ruling in CC Docket Nos. 96-98 and 99-68, released on February 26, 1999, confirmed unequivocally that the FCC had, will retain, and will exercise jurisdiction over ISP traffic because it is interstate in nature, not local. Under the provisions of the 1996 Act and the FCC's Orders and Rules, only local traffic is subject to the reciprocal compensation requirements. Thus, reciprocal compensation is clearly not applicable to ISP-bound traffic. In addition to being contrary to the law, treating ISP-bound traffic as local for reciprocal compensation purposes is contrary to sound public policy.

Issue 3(a)

47. Ordering Guides and Procedures (GTC 2.1)

Should the BellSouth ordering guides and the procedures set forth in Attachment 6 (Ordering and Provisioning) be referenced in The General Terms and Conditions as the definitive procedures for placing orders?

BellSouth receives orders from numerous CLECs, not just ITC, and consequently is in the best position to make improvements from time to time in the ordering process. BellSouth denies ITC's allegation that BellSouth wants to have complete control over the ordering process. BellSouth, however, will agree to ITC's proposed interconnection language on this issue.

Issue 3(b)

48. Industry Standards (Att. 6 – 1.9.1)

Should ITC^DeltaCom and BellSouth be required to follow the ATIS/OBF business rules in order to develop a national standard?

BellSouth is committed to implementing all appropriate industry standards for the electronic interfaces for use by CLECs in connection with BellSouth's Operations Support Systems ("OSS"). Because changes to interfaces are under the Electronic Interface Change Control Process ("EICCP") which allows CLECs such as ITC to have a voice in determining whether or not to implement all or part of the standards promulgated by ATIS/OBF, BellSouth should not be required in its interconnection agreement with ITC to always follow the standards issued by ATIS/OBF. Under the conditions ITC seeks to impose, BellSouth would be required to unilaterally implement new industry standards even if some of the changes or updates were not desired by the CLECs, including ITC.

Issue 3(c)

49. Availability of OSS Interfaces (Att. 6 – 3.3)

Should BellSouth be required to schedule maintenance of OSS on weekends and/or at night?

BellSouth should not be required by its interconnection agreement with ITC or any other CLEC to schedule maintenance of BellSouth's OSS and the electronic interfaces for CLECs strictly on nights and/or weekends. Although BellSouth had not previously been provided with ITC's proposed contract language on this issue, BellSouth has now reviewed such language and will accept it.

Issue 3(d)

50. **Information Needed to Place Orders (Att. 6 – 1.15.1 - .12)**

Should BellSouth be required to provide ITC^DeltaCom access to Universal Service Order Codes ("USOCs"), Field Identifiers ("FIDs") and other information in a downloadable format which is necessary to process orders?

BellSouth already provides to ITC and other CLECs the Universal Service Order Codes ("USOCs") and Field Identifiers ("FIDs") in a downloadable format pursuant to the orders of several state commissions, therefore, it is unnecessary to require BellSouth to do so in an interconnection agreement. CLECs may download a file containing the USOCs and FIDS from BellSouth's Interconnection Web site for CLECs. BellSouth is committed to adhering to all appropriate industry standards as well as providing CLECs with the information needed to place orders with BellSouth. ITC's proposed interconnection agreement language is unnecessary.

Issue 3(e)

51. **Notification of Disconnects (Att. 6 – 1.21)**

Should BellSouth be required to provide ITC^DeltaCom notice when a customer leaves ITC^DeltaCom?

BellSouth and ITC had previously agreed upon acceptable interconnection agreement language that would have required notice to ITC of a disconnect within 24 hours. ITC now seeks to modify this agreed upon language to include customer "winbacks." BellSouth does and will agree to provide a CLEC with timely notice (within 24 hours) when a customer disconnects. BellSouth does not agree that it is necessary for ITC or any other carrier to know to which carrier the customer has switched service as a part of the disconnect notice.

Issue 3(f)

52. **Discontinuance of OSS Interfaces (Att. 6 – 2.1)**

Should BellSouth be required to maintain both the current and one previous version of an electronic interface?

BellSouth has agreed to support the current and the immediate past national industry standard version of the applicable electronic interfaces. Currently, EDI and TAG are the only interfaces that fall under this policy. BellSouth notes that ITC's proposed interconnection

agreement language does not currently reflect the foregoing. BellSouth will continue to negotiate with ITC to reach mutually acceptable language.

Issue 3(g)

53. **Advance Notice Prior to Discontinuance of OSS Interfaces (Att. 6 – 2.2)**

Should ITC^DeltaCom have at least 90 days advance notice prior to BellSouth discontinuing an OSS interface?

BellSouth agrees that it should provide reasonable advance notice to all CLECs, including ITC, when BellSouth discontinues an electronic interface to its OSS. Although BellSouth is reviewing ITC's proposed interconnection agreement language in its present form for the first time, BellSouth agrees in concept to provide at least 90 days advance notice of any electronic interface that will be completely discontinued. BellSouth is willing to negotiate mutually acceptable language on this issue.

Issue 3(h)

54. **Disconnect/Reconnect (Att. 6 – 4.2.1)**

If ITC^DeltaCom needs to reconnect service following an order for a disconnect, should BellSouth be required to reconnect service within 48 hours?

Once a UNE facility has been disconnected for any reason, that facility is subject to immediate reuse. BellSouth and ITC had previously agreed that BellSouth would utilize its best efforts to reconnect service following an order for a disconnect within 24 hours of receipt of the new order. BellSouth will agree to use its best efforts to reconnect service within 24 hours, however, BellSouth cannot commit to a guarantee of reconnection of service within 48 hours due to receiving orders from numerous other CLECs as well as BellSouth's own end-users.

Issue 3(i)

55. **Hours of UNE/LCSC Center (Att. 6 – 4.8.1)**

Should BellSouth be required to maintain UNE/LCSC hours from 6 a.m. – 9 p.m.?

BellSouth's present hours of operation for both the UNE Center and the LCSC are more than adequate to handle the needs of ITC and the other CLECs. The UNE center's hours of operation are: Monday – Friday 8:00 a.m. until 5:00 p.m. (designed services); Monday – Saturday 8:00 a.m. until 5:00 p.m. (non-designed services); additional hours may be arranged with CLECs on a case-by-case basis. Both of BellSouth's LCSCs (Atlanta, GA and Birmingham, AL) currently operate 24 hours per day, 7 days per week, however, the hours of operation may change. No other changes to these hours should be made.

Issue 3(j)

56.

Toll Free Number (Att. 6 – 4.8.2)

Should BellSouth be required to provide a toll free number to ITC^DeltaCom to answer questions concerning BellSouth's OSS proprietary interfaces from 8 a.m. to 8 p.m.?

BellSouth currently provides numerous employees to assist ITC as well as all other CLECs in doing business with BellSouth through the purchasing of UNEs and resale services, including help desks for technical problems with the electronic interfaces. BellSouth also provides knowledgeable Account Teams to assist CLECs with such matters. BellSouth also provides training classes and extensive written materials for CLECs on the electronic interfaces. The development and utilization of electronic interfaces requires a coordinated effort between CLECs and BellSouth. Both parties should be required to train and maintain their own competent staff of employees in order to conduct business with one another through electronic interfaces. BellSouth currently operates "help desks" for CLECs experiencing technical problems with the electronic interfaces. The help desks are staffed Monday through Friday, 8:00 a.m. through 5:00 p.m. Central time. For assistance during the night, weekends, or holidays, a BellSouth employee can be contacted via a pager with a toll-free number. No additional hours need to be specified in the interconnection agreement.

Issue 3(k)

57.

FOC (Att. 6 – 4.3)

What information should be included on the FOC?

BellSouth currently lists the following information on Firm Order Confirmations ("FOCs"): (1) Purchase Order Number ("PON"); (2) PON date; (3) Local Service Request ("LSR") number; (4) Order number; (5) due date; and (6) the telephone number. This information is more than adequate for ITC to track its orders placed with BellSouth. BellSouth does not agree that the FOC should also include all other data that the Ordering and Billing Forum ("OBF") may suggest. As explained in BellSouth's response to Paragraph 48 (Issue 3(b)) to the Petition, BellSouth is committed to implementing all appropriate industry standards; however, this must be balanced against BellSouth's commitment to the EICCP which gives CLECs, including ITC, a voice in determining whether to implement all or part of the standards promulgated by ATIS/OBF, including the standards for FOCs.

Issue 3(l)

58.

Escalation Procedures (Att. 6 – 4.8.16)

Should the Parties establish escalation procedures for ordering/provisioning problems?

BellSouth agrees that escalation procedures are useful in resolving problems in connection with ordering/provisioning. BellSouth and ITC essentially agree upon the interconnection

agreement language proposed by ITC, except for the limited matter of providing 10 days notice of any modifications to the appropriate “contacts” for escalation. BellSouth will agree to use its best efforts to provide ITC with 10 days advance notice of any modification to BellSouth “contact” person(s), but cannot guarantee that this will always occur within 10 days.

Issue 3(m)

59. **Repair Information (Att. 6 – 5.2; 6 – 5.3 – 5.3.2)**

What type of repair information should BellSouth be required to provide to ITC^DeltaCom such that ITC^DeltaCom can keep the customer informed?

BellSouth does not agree that it is necessary to provide a list of the information that ITC seeks to be put in the interconnection agreement on this issue. BellSouth provides ITC with non-discriminatory access to BellSouth’s maintenance and repair OSS today. BellSouth is willing to negotiate mutually acceptable language on this issue for inclusion in the agreement.

Issue 3(n)

60. **Training Technicians (Att. 6 – 5.6)**

Should BellSouth be required to train their technicians on the procedures contained in the interconnection agreement which sets forth the manner in which BellSouth must treat ITC^DeltaCom customers?

BellSouth has previously advised ITC that, although BellSouth does not believe this issue needs to be included in the interconnection agreement, BellSouth will agree to said language so long as it applies equally to ITC. Such a mutual obligation is not currently set forth in ITC’s proposed interconnection agreement language but should be added.

Issue 3(o)

61. **Billing for Unauthorized Work (Att. 6 – 5.13)**

Should ITC^DeltaCom be billed by BellSouth for unauthorized work?

Although BellSouth agrees in principle with ITC’s proposed interconnection agreement language on this issue, BellSouth had requested clarification from ITC on this issue. BellSouth will continue to negotiate with ITC on this issue.

Issue 4(a)

62.

Cageless Collocation (Att. 4 – 6.4)

Should BellSouth provide cageless collocation to ITC^DeltaCom 30 days after a complete application is filed?

BellSouth is not required by the FCC to provide cageless collocation within 30 days. In fact, the FCC recently stated that it was not adopting specific provisioning intervals at this time. First Report and Order and Further Notice of Proposed Rulemaking, CC Docket 98-147, at Paragraph 54. In addition, given the numerous factors applicable to fulfilling a collocation request, it is not feasible to require BellSouth to complete the collocation request within 30 days.

Issue 4(b)

63.

Compensation for Use of ITC^DeltaCom Collocation Space

Should BellSouth be required to compensate ITC^DeltaCom when BellSouth collocates in ITC^DeltaCom collocation space?

Although it is unclear from this issue, BellSouth assumes that ITC is referring to a situation where BellSouth would establish a collocation space within an ITC premise, for purposes of local interconnection. If BellSouth's assumption is correct, BellSouth has already agreed to pay ITC collocation rates that mirror the rates in the collocation agreement between ITC and BellSouth for ITC's collocation arrangements within a BellSouth central office. In fact, BellSouth has had this agreement in place with ITC since December 15, 1998. This "reverse collocation" agreement is coterminous with the interconnection agreement between BellSouth and ITC. As such, BellSouth plans to replace the existing "reverse collocation" agreement with a new one that mirrors the new collocation agreement, once the companies have a new collocation agreement in place.

Issue 4(c)

64.

Security (Att. 4 – 11)

Should ITC^DeltaCom and its agents be subject to stricter security requirements than those applied to BellSouth's agents and third party outside contractors?

BellSouth imposes essentially the same level of security on CLEC employees given access to BellSouth central offices as it imposes on BellSouth's approved third party vendors. BellSouth has a right and an obligation to put in place security requirements to protect its network and the networks of other collocated carriers. In fact, the FCC recognized the importance of an ILEC's security obligations in its recent Order in CC Docket 99-48, at Paragraph 47.

Issue 4(d)

65.

Space Reclamation (Att. 4 – 1.2.1)

Whether BellSouth should be permitted to reclaim collocation space if BellSouth believes that ITC^DeltaCom is not fully utilizing such space?

This restriction protects valuable Central Office space from being “warehoused” by any one collocator and is compliant with FCC guidelines. In its First Report and Order, the FCC ruled that “restrictions on warehousing of space by interconnectors are appropriate. Because collocation space on incumbent LEC premises may be limited, inefficient use of space by one competitive entrant could deprive another entrant of the opportunity to collocate facilities or expand existing space.” CC 96-325, at Paragraph 586. The FCC also provides that “Incumbent LECs may not ... reserve space for future use on terms more favorable than those that apply to other telecommunications carriers seeking to hold collocation space for their own future use.” CC 96-325, at Paragraph 604.

Pursuant to these FCC guidelines, BellSouth allows collocators to occupy space to accommodate a two-year forecast. BellSouth’s proposed language states that, should ITC not use 50% or 100% of its collocation space (by end of year 1 and year 2 of a two-year contract, respectively), BellSouth may reclaim the unused space. BellSouth will allow ITC to share a caged collocation arrangement to meet these space utilization standards.

Issue 5

66.

Local Interconnection (Att. 3)

Should the Parties continue operating under existing local interconnection arrangements?

BellSouth does not understand this issue and needs clarification from ITC. The fact that ITC has filed for arbitration with BellSouth and listed some seventy-three (73) issues, many of which contain multiple questions, belies ITC’s request to maintain its existing arrangements with BellSouth. Additionally, ITC proposed a new interconnection agreement attached as Exhibit “A” to the Petition rather than relying upon the existing agreement. BellSouth has negotiated with ITC in good faith and will continue to do so in an effort to reach a new interconnection agreement. This issue is not appropriate for arbitration.

Issue 6(a)

67.

Rates and Charges for BellSouth OSS (Att. 11)

Should BellSouth be permitted to impose charges for BellSouth’s OSS on ITC^DeltaCom?

BellSouth is entitled under the 1996 Act and the FCC’s orders and rules to recover the reasonable charges it incurred associated with developing, providing, and maintaining the interfaces that make BellSouth’s OSS accessible to competitors such as ITC. The Authority has

previously approved BellSouth's right to recover these costs in Docket No. 97-01262 by Order dated January 25, 1999. The UNE Docket was a generic cost proceeding in which any CLEC, including ITC, could have participated. Thus, ITC should not be allowed to collaterally attack the Authority's recent order through this arbitration. Additionally, the United States District for the Eastern District of Kentucky has confirmed BellSouth's right to recover these type costs in a similar context.⁸

Issue 6(b)

68. **Rates and Charges for ADSL/HDSL and two-wire
and four-wire ADSL/HDSL, Two-wire SL2, Two-wire SL1, Two-wire SL2 Order
Coordination for Specified Conversion Time,
Extended Loops, Loop-Port Combinations (Att. 11)**

What are the appropriate recurring and non-recurring rates and charges for BellSouth ADSL/HDSL and two-wire and four wire ADSL/HDSL, Two-wire SL2, Two-wire SL1, Two-wire SL2 Order Coordination for Specified Conversion Time, Extended Loops and Loop-Port Combination Services?

The rates for the UNEs/services listed by ITC in this issue, with certain exceptions discussed below, are being addressed by the Authority in Phase II of Docket No. 97-01262. There is no need for the Authority to establish rates for these items at this time. With respect to combinations, see BellSouth's response to Paragraph 24 (Issue 2(b)(iii)). Further, BellSouth does not provide HDSL/ADSL service as a UNE.

Issue 6(c)

69. **Rates and Charges for Disconnection (Att. 6 – 4.8.20)**

Should BellSouth be permitted to charge ITC^DeltaCom a disconnection charge when BellSouth does not incur any costs associated with such disconnection?

It is appropriate to charge for disconnect at the point in time that service is disconnected since it results from costs associated with determining whether the line can be reused and by whom. The Authority has already determined that disconnection charges are appropriate in Docket No. 97-01262 by Order dated January 25, 1999. These rates are being addressed by the Authority in Phase II of the UNE Docket.

⁸ *AT&T Communications of the South Central States, Inc. V. BellSouth Telecommunications, Inc. et al.*, slip Op. No. 97-79 (E. D. Ky., September 9, 1998) ("Because the electronic interfaces will only benefit the CLECs, the ILECs, like BellSouth, should not have to subsidize them...there is absolutely nothing discriminatory about this concept.")

Issue 6(d)

70.

Rates and Charges for Collocation (Att. 11)

What should be the appropriate rate for cageless/shared collocation in light of the recent FCC Advanced Services Order?

BellSouth proposed rates to ITC that are in compliance with the FCC's Advanced Services Order. The rates for collocation are currently under consideration by the Authority in Docket No. 97-01262, the generic UNE proceeding. Other rates BellSouth has proposed are based upon TELRIC studies, though not previously presented to the Authority, performed in the same manner as BellSouth's TELRIC studies which have been previously submitted to the Authority. Finally, for a few of the applicable rates, BellSouth has estimated the costs, and will agree to a true-up when final rates are approved, or BellSouth based such charges on existing approved FCC tariffs. Specifically, BellSouth proposed rates for floor space within a BellSouth central office that are established on a per square foot basis regardless of whether an arrangement is enclosed (caged) or unenclosed (cageless). To order cageless collocation, ITC would simply request and pay for a designated amount of floor space within a BellSouth central office. Under BellSouth's proposal, should ITC desire a caged enclosure, ITC would contract directly with its certified vendor to construct a cage. In this case, BellSouth would not assess any enclosure fees.

As with cageless collocation, BellSouth's proposed rates to ITC are in compliance with the FCC's Order regarding shared caged collocation arrangements. The terms under which ITC may share a caged collocation arrangement are specified within Section 3.3 of the proposed collocation agreement. Should ITC elect to share a caged collocation space, ITC would simply establish itself as the "Host" collocater. As Host, it may allow other telecommunications carriers ("Guests") to share its caged collocation arrangement, where permitted by local authorities and pre-existing lease terms, should the BellSouth central office be located within a leased space. This arrangement allows ITC to incorporate by reference the rates, terms and conditions of the agreement between it and BellSouth to its Guests. ITC could then allocate the appropriate share of collocation expenses (e.g., floor space, power, application fees) to its Guest collocators.

Issue 6(e)

71.

**Rates and Charges for Conversion of Customers from
Resale to UNE-based Service (Att. 2 – 2.3.1.6)**

Should BellSouth be permitted to charge for ITC^DeltaCom conversions of customers from resale to unbundled network elements?

There is no requirement in the 1996 Act or in the FCC's rules that obligates BellSouth to convert a CLEC's customer from resale to UNEs at no cost. BellSouth is entitled to recover its reasonable costs if it performs this function.

72.

Issue 6(f)
Recovery of Resale Costs (Att. 1 – 3.14)

Should BellSouth be permitted to recover all of its costs for resale from ITC^DeltaCom?

Even though BellSouth believes that its proposed language is reasonable, BellSouth is willing to agree to remove its proposed language from the interconnection agreement on this issue in the spirit of compromise. Thus, this issue should be resolved.

73.

Issue 7(a)
Billing – Detail (Att. 7 – 1.1. and 1.9)

What billing detail must BellSouth provide to ITC^DeltaCom to verify BellSouth's charges to ITC^DeltaCom?

BellSouth agrees that it should provide all CLECs, including ITC, with the information necessary to verify the charges on its bills. BellSouth is already providing the "item, quantity and price" information on all resale and UNE services that ITC is requesting. BellSouth is willing to negotiate specific, rather than general or open language as ITC has proposed, that would be mutually acceptable for inclusion in the interconnection agreement.

74.

Issue 7(b)
Billing – Access Usage Records (Att. 7 – 4.14)

Whether the party responsible for failing to deliver access usage records in a timely manner is liable for lost revenue?

BellSouth does not agree with all of the language proposed by ITC for inclusion in the interconnection agreement on this issue. For purposes of RAO Hosting services, BellSouth will use the guidelines established at the Ordering and Billing Forum ("OBF") for sending access usage records to ITC. These guidelines currently do not contain a definition of the term "timely manner" as proposed by ITC. BellSouth, however, agrees that it has an obligation to provide both timely and accurate billing information and is willing to negotiate mutually acceptable language in the interconnection agreement on this issue.

75.

Issue 7(b)(i)
Lost Access Data (Att. 7 – 4.14)

What is a reasonable time frame for the parties to estimate lost access data for purposes of billing?

BellSouth does not agree that it should be liable for lost revenues for usage that has been delayed or lost by a recording company prior to receipt by BellSouth's RAO Hosting process described in this section of the agreement. However, BellSouth is willing to accept ITC's proposed interconnection agreement language for usage lost or destroyed by BellSouth while processing the records in the RAO Hosting process. Thus, this issue should be resolved.

Issue 7(b)(ii)

76.

Meet Point Billing (Att. 3 – 9)

What procedures should be adopted for meet point billing?

BellSouth's position regarding Meet Point Billing ("MPB") arrangements is to utilize, to the extent possible, the standard industry procedures that have been agreed to and working well among the ILECs and the Interexchange Carriers ("IXCs") since 1986. These procedures are documented in the MECAB and MECOD OBF Guidelines. The introduction of local competition, the entry of many new local carriers and the differences between local interconnection services and traditional exchange access services have given rise to the need to change the MECAB and MECOD guidelines. This activity is a work in progress. In the meantime, BellSouth proposes to use the standard industry procedures for MPB when it is possible to do so. In recognition of situations where the standard MPB procedures cannot be implemented, BellSouth is willing to work with ITC to develop a mutually agreeable alternative arrangement.

Issue 7(b)(iii)

77.

Relevant Information for ADUF (Att. 7 – Exhibit A 2.1)

How should "all relevant information" be defined for purposes of ADUF?

The Access Daily Usage Feed ("ADUF") is simply a daily file of access usage events associated with a CLEC's unbundled switch ports leased from BellSouth. In order for BellSouth to provide the ADUF file, certain technical pieces of information are required. BellSouth is willing to negotiate mutually acceptable language for inclusion in the interconnection agreement if ITC deems it necessary.

Issue 7(b)(iv)

78.

Audits (Att. 3 – 2.0)

Who pays for the audit?

BellSouth agrees that the party requesting an audit should be responsible for the costs of the audit, except that BellSouth would add that if the audit reveals that either party is found to have overstated the percent local usage ("PLU") or percent interstate usage ("PIU") by 20 percentage points or more, then that party should be required to reimburse the other party for the costs of the audit. This is a fair and reasonable provision for the protection of both parties.

Issue 8(a)

79. **General Contract Issues – Appropriate Forum (GTC –11)**

What is the appropriate legal forum for enforcement of the provisions of the interconnection agreement?

BellSouth denies that it wants to place limits on ITC's rights to seek recourse under the agreement. BellSouth believes that the parties should have clearly defined avenues for resolution of any disputes that may arise under the agreement. Since the state commission is the entity that must review and approve the agreement, the Authority should be the first recourse to resolve disputes under the agreement. The parties should determine at the time they enter into the interconnection agreement where disputes will be resolved. This gives certainty as to how and where disputes will be resolved and it helps prevent the potential for "forum shopping," as well as the potential for inconsistent decisions under the agreement.

Issue 8(b)

80. **General Contract Issues – Loser Pays (GTC – 11)**

Whether the losing party to an enforcement proceeding or proceeding for breach of the interconnection agreement should be required to pay the cost of such litigation?

BellSouth believes that the inclusion of a "loser pays" provision would have a chilling effect on both parties to the extent that even meritorious claims may not be filed. The 1996 Act is barely three years old and clearly represents an evolving area of rule and regulation. It is inevitable that complaints will be brought by various parties seeking clarification as issues emerge. Often times there is no clear "winner" or "loser," thus further complicating the use of a "loser pays" clause. A negative provision like "loser pays" should not be included in the Agreement.

Issue 8(c)

81. **General Contract Issue – Limitation of Liability (GTC – 6.3)**

What should be the appropriate standard for limitation of liability under the interconnection agreement?

BellSouth agrees that there should not be a general limitation on either party's liability for acts of gross negligence or for willful misconduct. BellSouth has simply proposed a reasonable provision for the protection of both parties such that reliance by either party on a reasonable interpretation of the terms and conditions set forth in the agreement or upon laws, regulations, or orders will not be considered as an act of "willful misconduct." This issue is not appropriate for arbitration

Issue 8(d)

82. **General Contract Issues – Most Favored Nations Provisions (GTC – 16.1)**

Should ITC^DeltaCom be permitted to “pick and choose” any individual element, service or term of interconnection contained in any other interconnection agreement approved by this Authority?

BellSouth will agree to include “pick and choose” language that is consistent with Section 252(i) of the 1996 Act, the FCC’s First Report and Order, Paragraph 1315, CC Docket 96-98 (8-8-96) and the U.S. Supreme Court’s decision in the Iowa Utilities Board case 119 S. Ct. 721, 142 L. Ed. 834 (1-25-99). Consistent with the 1996 Act and the FCC’s rules, BellSouth’s position is that ITC or any other CLEC may adopt any individual interconnection service or network element arrangement in an approved agreement of another carrier, but ITC or other CLEC must also adopt the other terms in that agreement which are legitimately related to the desired term.

Issue 8(e)

83. **General Contract Issues – Tax Liability (GTC – 13.1; Att. 1 – 11.5)**

Whether language covering tax liability should be included in the interconnection agreement, and if so, whether that language should simply state that each Party is responsible for its tax liability?

BellSouth has proposed language for the interconnection agreement based upon BellSouth’s experiences with tax matters and liability issues in connection with the parties’ obligations under interconnection agreements. A variety of taxes are imposed upon telecommunications carriers, both directly and indirectly (collect from end-users and other carriers). As would be expected, problems and disputes over the application and validity of these taxes will and do occur. The interconnection agreement should clearly define the respective rights and duties for each party in the handling of such tax issues so that they can be resolved fairly and quickly.

Issue 8(f)

84. **Breach of Contract (GTC – 25)**

Should BellSouth be required to compensate ITC^DeltaCom for breach of material terms of the contract?

The issue of penalties or liquidated damages is not an appropriate subject of arbitration. The Authority lacks the statutory or jurisdictional authority to award or order monetary damages or financial penalties. Even if a penalty or liquidated damage award could be arbitrated, it is completely unnecessary. State law and Authority complaint procedures are available, and are more than sufficient, to address or remedy any breach of contract situation should it occur. Furthermore, nothing in the 1996 Act nor in any order of the FCC requires the inclusion of a liquidated damages provision in an interconnection agreement.

TIMING AND PROCESS

85. To the extent a response is required, BellSouth agrees with the allegations in paragraph 85 of the Petition. In addition, BellSouth has no objection to the Authority issuing a procedural and scheduling order in this proceeding.

STANDARD OF REVIEW

86. BellSouth admits that the appropriate arbitration standards are set forth in the 1996 Act. Those provisions of the 1996 Act speak for themselves. The remaining allegations in paragraph 86 of the Petition are denied.
87. BellSouth admits that the appropriate arbitration standards are set forth in the 1996 Act. Those provisions of the 1996 Act speak for themselves. The remaining allegations in paragraph 87 of the Petition are denied.
88. BellSouth admits that the appropriate arbitration standards are set forth in the 1996 Act. Those provisions of the 1996 Act speak for themselves. The remaining allegations in paragraph 88 of the Petition are denied.
89. BellSouth admits that the appropriate arbitration standards are set forth in the 1996 Act. Those provisions of the 1996 Act speak for themselves. The remaining allegations in paragraph 89 of the Petition are denied.
90. BellSouth admits that the appropriate arbitration standards are set forth in the 1996 Act. Those provisions of the 1996 Act speak for themselves. The remaining allegations in paragraph 90 of the Petition are denied.

CONCLUSION

91. To the extent a response is required, BellSouth denies the allegations in paragraph 91 of the Petition.

WHEREFORE, BellSouth requests that the Authority arbitrate this proceeding and grant the relief requested by BellSouth.

Respectfully submitted this 6th day of July 1999,

A handwritten signature in black ink, appearing to read "Guy M. Hicks", is written over a horizontal line.

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Exhibit A
Page 1 of 2

July 31, 1998

VIA FACSIMILE: 404-529-7839
VIA OVERNIGHT MAIL

Mr. Patrick Finlen, Manager ICS Pricing
BellSouth Telecommunications, Inc.
675 West Peachtree Street, N.E.
34S BSC
Atlanta, GA 30375

RE: Request to Re-negotiate a Local Interconnection and Resale Agreement

Dear Mr. Finlen:

Pursuant to Sections 251 and 252 of the Telecommunications Act of 1996, ITC^DeltaCom Communications, Inc., d/b/a ITC^DeltaCom hereby requests to re-negotiate a single Local Interconnection and Resale Agreement with BellSouth Telecommunications, Inc. covering the nine states encompassing the BellSouth region; specifically including: North Carolina, South Carolina, Georgia, Florida, Alabama, Tennessee, Kentucky, Mississippi, and Louisiana.

We received a copy of BellSouth's template interconnection agreement earlier this year. Unfortunately, this new agreement is not well suited to the specific nature of ITC^DeltaCom's unique requirements and extensive network. Therefore, we think our existing agreement provides a more logical starting point for negotiations.

Should you have any questions or require additional information, please contact me at (256) 650-3942.

Very truly yours,


Christopher J. Rozycki
Director of Regulatory Affairs

/cjr

cc: Jerry Hendrix, Director - ICS Pricing

FILE COPY

File Copy
BELL SOUTH

BellSouth Telecommunications, Inc.
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375

Exhibit A
Page 2 of 2

July 31, 1998

Mr. Chris Rozycki
ITC^DeltaCom, Inc.
Suite 101
700 Boulevard South
Huntsville, AL 35802

Dear Mr. Rozycki:

This is to confirm our conversation of today regarding the renegotiation of a new Interconnection Agreement between our two companies. As I stated, and pursuant to the provisions of the existing Interconnection Agreement, and in accordance with Sections 251 and 251 of the Telecommunications Act of 1996, we were to start negotiating a new agreement as of July 1, 1997. Accordingly, consider this correspondence as official notification that BellSouth wishes to begin the negotiation process as of today, July 31, 1997.

Enclosed is a copy of the standard interconnection agreement BellSouth would like to use as a basis of the new agreement between our two companies. This Agreement should provide you with an understanding of the terms, conditions, and rates associated with the provision of BellSouth's local access services relative to local interconnection. Also enclosed for your use are two diskettes with an electronic copy of the agreement.

Once you have had the opportunity to review this document, please contact me to discuss any questions or comments you may have relative to the Agreement. I can be reached on (404) 927-8389.

Sincerely,



Pat Finlen
Manager - Interconnection Services/Pricing

Enclosures



BellSouth Telecommunications, Inc.
Room 34591 BellSouth Center
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375

Exhibit B
Page 1 of 2

December 8, 1998

Mr. Chris Rozycki
ITC^DeltaCom, Inc.
Suite 101
700 Boulevard South
Huntsville, AL 35802

Dear Mr. Rozycki:

This is to summarize our meeting of Friday, December 4, 1998. The purpose of this meeting was a preliminary discussion regarding the negotiation of a new interconnection agreement between our two companies. This discussion was held pursuant to the terms of the current Interconnection Agreement. Some of the issues discussed were document management, timing for the negotiation process, and identification of issues we can and can not agree on at this time.

It was agreed that BellSouth would be the keeper of the document and that for negotiation purposes we would exchange redline versions of the document. Once agreement was reached on an attachment/section we would clean the document up for the final version. The parties agreed that all items would remain open for negotiation until the parties have reached mutual agreement on all terms.

We also agreed that for negotiation purposes the arbitration window would be between May 15, 1999 and June 9, 1999. This means that formal negotiations will commence on January 1, 1999 and that ITC^DeltaCom will be sending its request in accordance to Section 252 of the Act.

The one issue that we identified that we can not agree upon is should ISP/ESP traffic be jurisdictionalized as local or interstate. Hopefully we will be able to reach some conclusion on this issue before having to resolve this issue at the state regulatory agency.

I look forward to working with you on successfully concluding a new agreement between our two companies. Please contact me on (404) 927-8389 should you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Pat".

Pat Finlen
Manager - Interconnection Services/Pricing

Cc: Parkey Jordan, Senior Attorney
Mary Jo Peed, Senior Attorney

Exhibit B
Page 2 of 2

January 4, 1999

VIA OVERNIGHT MAIL

Mr. Patrick Finlen, Manager ICS Pricing
BellSouth Telecommunications, Inc.
675 West Peachtree Street, N.E.
34S91 BSC
Atlanta, GA 30375

RE: Request to Re-negotiate a Local Interconnection and Resale Agreement

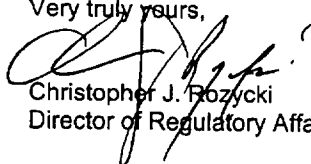
Dear Mr. Finlen:

Pursuant to Section 252 of the Telecommunications Act of 1996, ITC^DeltaCom Communications, Inc., d/b/a ITC^DeltaCom hereby requests to re-negotiate a single Local Interconnection and Resale Agreement with BellSouth Telecommunications, Inc. covering the nine states encompassing the BellSouth region; specifically including: Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee.

For negotiation purposes, the arbitration window would be between May 19, 1999 and June 13, 1999.

Should you have any questions or require additional information, please contact me at (256) 650-3942.

Very truly yours,



Christopher J. Rozycki
Director of Regulatory Affairs

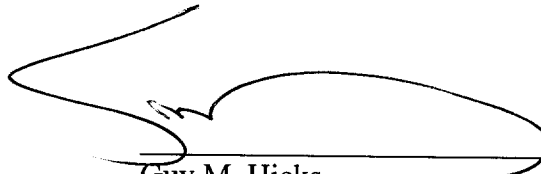
/cjr

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was served on the following parties of record by placing a copy of same in the United States Mail, properly addressed and postage prepaid, on this 6th day of July 1999:

Edgar C. Gentle, III, Esq.
G. Nicole Mapp, Esq.
GENTLE, PICKENS & ELIASON
Suite 1500 – Colonial Bank Building
1928 First Avenue North
Birmingham, AL 35203

H. LaDon Baltimore, Esquire
Farrar & Bates
211 Seventh Ave. N, # 320
Nashville, TN 37219-1823



Guy M. Hicks

169115